GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:230
ANSWERED ON:30.11.2007
DEFAULTERS OF LOAN
Channappa Shri Kunnur Manjunath

Will the Minister of FINANCE be pleased to state:

(a) the mechanism available to keep a tab on the major defaulters of loans in respect of the nationalised banks; and

(b) the details of the proposals under consideration to make the rules in this regard more stringent?

Answer

THE MINISTER OF FINANCE (Shri P. Chidambaram)

(a) & (b) : A Statement is laid on the Table of the Lok Sabha.

STATEMENT FOR LOK SABHA STARRED QUESTION NO.230 FOR 30TH NOVEMBER, 2007 REGARDING DEFAULTERS OF LOAN TABLED BY SHRI MANJUNATH KUNNUR

(a) & (b) : To keep a tab on the major defaulters of bank loans, Reserve Bank of India (RBI) disseminates lists of non-suit filed `doubtful` and `loss` borrowal accounts of Rs. 1 crore and above on half-yearly basis (i.e. as on 31st March and 30th September) to banks and Financial Institutions (FIs) for their confidential use. The list of non-suit filed accounts of wilful defaults of Rs.25 lakh and above is also disseminated by RBI on quarterly basis to banks and FIs for their confidential use. Further, Credit Information Bureau (India) Limited is maintaining a database on suit-filed accounts of Rs. 1 Crore and above and suit-filed accounts (wilful defaulters) of Rs. 25 Lakhs and above. The information can be accessed at CIBIL website www.cibil.com. To provide for an effective legal framework and an adequate, comprehensive and reliable information system on the borrowers through an efficient data-base, the Credit Information Companies (Regulation) Act, 2005 has been enacted.

The banks follow-up the NPA accounts at various levels and take appropriate action to recover their dues in accordance with their Board approved recovery policies. Due to various steps taken by RBI, the Government of India and the banks, Gross NPAs of these banks have reduced from 8.8% of Gross Advances as on March 2003 to 2.5% of Gross Advances as on March, 2007.